

News Release

FRANCHISE TAX BOARD

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State Tax Deposits Hit All-Time High

April personal income tax receipts have reached an all-time high for the State of California, the Franchise Tax Board (FTB) announced today.

For April, personal income tax deposits for the month are nearly \$11.3 billion, marking a 40-percent increase over April 2005. The figure also exceeds the \$10.2 billion deposited in April 2001, which reflected the height of the stock market boom.

“Increased cash flow is always good news, but the state still faces a multi-billion deficit that Sacramento must get serious about,” said Steve Westly, California State Controller and Franchise Tax Board Chair.

“The \$11.3 billion record tax receipts will narrow the state’s budget gap and will help us to get our fiscal house in order,” said John Chiang, Chair of the Board of Equalization and Member of the Franchise Tax Board.

The one-month record has also helped the state reach another milestone. Personal income tax receipts from January through April will exceed \$23 billion. Along with corporation tax, overall income tax revenue for the same period will near \$27 billion, another record.

“The robust flow of receipts indicates a healthy, growing state economy that is on the right track,” said Michael C. Genest, Director of the Department of Finance and Member of the Franchise Tax Board.

To date, the FTB has processed more than 11.6 million state income tax returns with another 2 million to be processed. California taxpayers have an automatic six-month extension until October 16, to file. However, taxpayers who owe tax must have made a payment by April 17, to avoid interest and penalties. FTB expects to receive another 1 million tax returns by the October extension deadline.

Refunds

The number of refunds is also up over last year. Through April 28, more than 7.5 million refunds had been issued—an increase of four percent—averaging \$691, compared with \$661 last year.

E-file

More than 70 percent of California taxpayers filed electronically so far in 2006. Through April 28, nearly 8.3 million e-file returns have been received, an increase of nearly 8.5 percent over last year. Nearly 6.9 million e-file returns have been received from tax practitioners, while the number of individual online filers was up nearly 9 percent to 1.4 million.

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